

PSO TRANSFORMATION PLAN

Perkins + Somerset + Oldtown



HOUSING
AUTHORITY of
BALTIMORE CITY

COMMUNITY | CUSTOMER SERVICE | COLLABORATION | COMMUNICATION

Choice Neighborhoods Initiative

In July 2018, the U.S. Department of Housing and Urban Development (HUD) awarded a \$30 million Choice Neighborhoods Initiative (CNI) grant to the Housing Authority of Baltimore City (HABC) in partnership with the City of Baltimore, for the implementation of the PSO Transformation Plan.

The PSO Housing development team includes Beatty Development Group, The Henson Development Company, Mission First Housing Group and McCormack Baron Salazar. The entire CN Housing Development will be built in nine phases with four onsite at Somerset and five phases planned for Perkins Homes. The PSO Transformation Plan will transform neighborhoods of extreme poverty into sustainable, thriving, mixed-income communities. The CNI grant will fund critical improvements in PSO community assets, including vacant property, housing, services, and a school to support a safe, thriving neighborhood. CNI has three stated goals:



Housing

Transform distressed public and HUD-assisted private housing into energy-efficient, mixed-income housing that is physically and financially viable over the long-term.



Neighborhood

Transform neighborhoods of poverty into viable, mixed-income neighborhoods with access to well-functioning services, high-quality public schools and education programs, public transportation, and improved access to jobs.



People

Support positive health, safety, employment, mobility, and education outcomes for residents in the target development and surrounding neighborhoods.





Perkins Somerset Oldtown (PSO) encompasses a 244-acre transformation zone home to 5,939 residents in 2,122 households located within minutes of downtown Baltimore and the waterfront. Despite the close proximity to the Inner Harbor, Johns Hopkins Hospital, and several thriving waterfront communities, the PSO neighborhoods have historically suffered from a lack of investment, concentrated poverty, high crime, and under-performing schools.

The PSO Transformation Plan will reshape these three development sites into a Community of Choice that is inviting, promotes resident pride and unity among neighbors, and is integrated into the surrounding neighborhoods – a new model for urban neighborhood including a 21st century new school, and two new parks.

Neighborhood Profile

	Perkins Homes ¹	Transformation Zone ²	Baltimore ³
Number of Households (HH)	477	2,122	242,268
Number of Residents	1,025	5,939	622,454
Average HH Size	2.2	2.8	2.6
Percentage: HH with Children (<18)	41%	51%	52%
Percentage: Female-led HH with Children	42%	54%	21%
Percentage: Black / White / Hispanic	98% / 1% / 1%	83% / 10% / 5%	63% / 30% / 5%
Poverty Rate	84%	60%	24%
Percentage: Persons with Disabilities	35%	24%	15%

¹ USI LEARN data system – June 2020

² 2015 American Community Survey data (tracts 301, 301) – Includes Perkins Homes residents

³ 2015 American Community Survey data (tracts 301, 2805) – Includes Transformation Zone residents

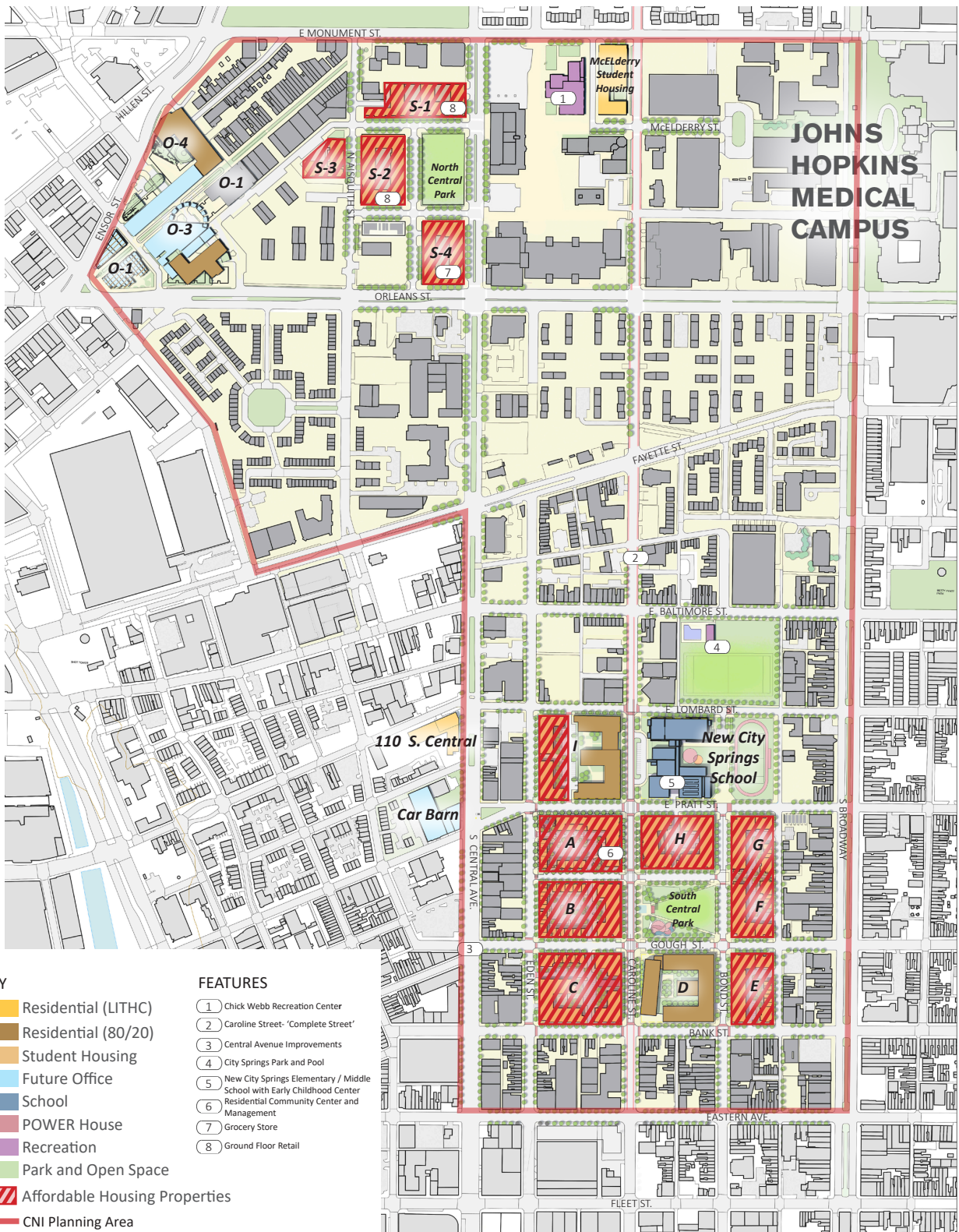


EXHIBIT A - EXEMPT AFFORDABLE HOUSING PROPERTIES

PERKINS SOMERSET OLDTOWN
AUGUST 10, 2020

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Program Summary

	Multifamily	Office	Retail	Parking	School	Hotel
Perkins	788 Units	-	-	TBD	138,000 SF	-
Somerset	558 Units	-	42,400 SF	TBD	-	-
Oldtown	298 Units	118,400 SF	90,00 SF	440 Spaces	-	120 Keys
Total	1,644 Units³	118,400 SF	132,400 SF	440 Spaces	138,000 SF	120 Keys

Planned Unit Mix

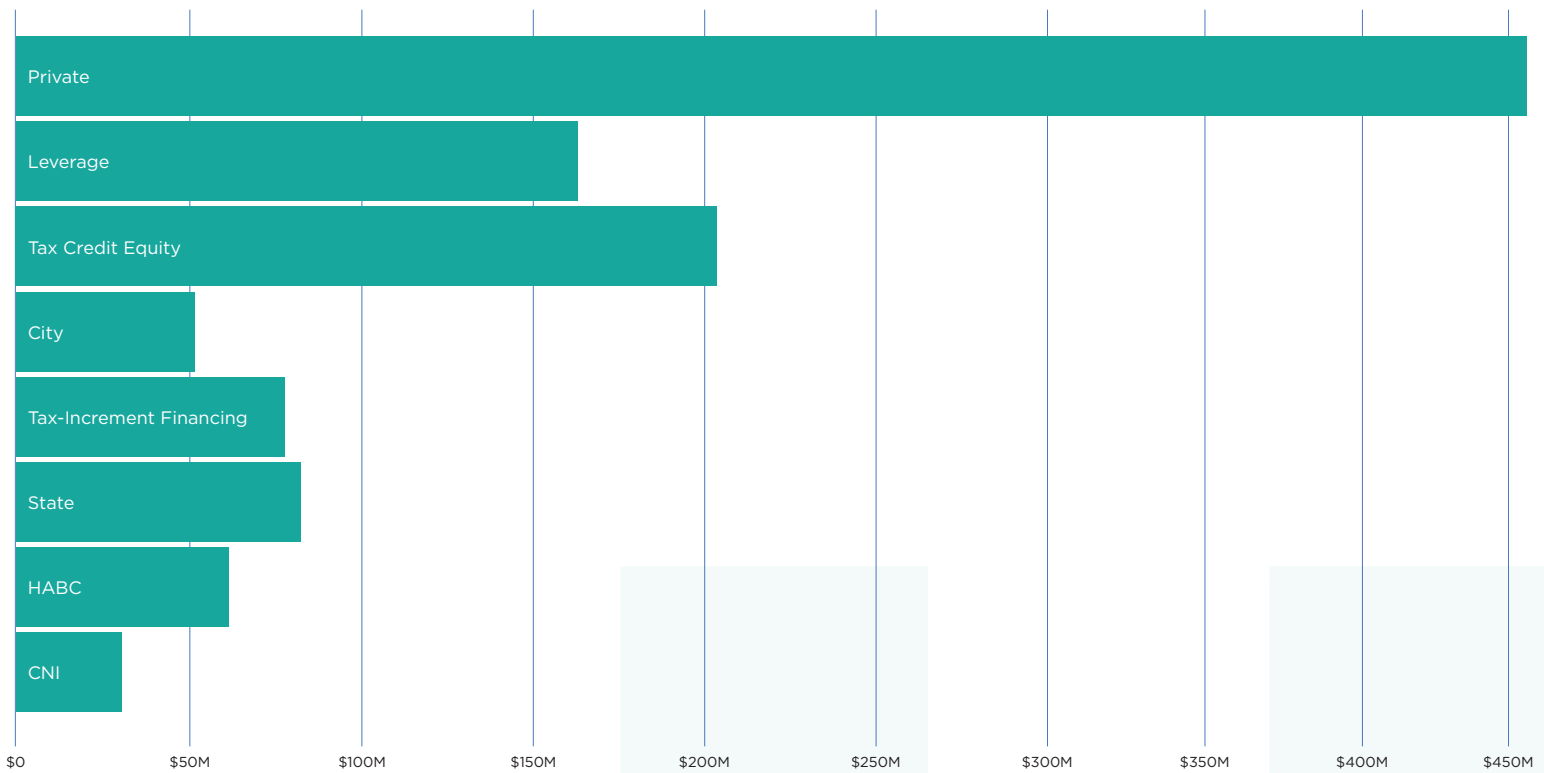
	Total Units	Deeply Affordable Units		Tax Credit Units ¹		Market Rate Units	
		Number of Units	Percent of Units	Number of Units	Percent of Units	Number of Units	Percent of Units
Perkins	788	377	48%	155	20%	256	32%
Somerset	558	275	49%	174	31%	109	20%
Total	1,346	652	48%	329	25%	365	27%
Oldtown ²	298	-	-	-	-	-	-
Total	1,644	-	-	-	-	-	-

¹ At or below 60% AMI on average

² Exact unit mix at Oldtown TBD

³ Two 80/20 buildings will provide an additional 530 units

PSO Transformation Plan Funding



Total Leveraged Investment:

CN (Choice Neighborhoods)	\$30M
HABC	\$69.4M
State MD	\$82.6M
Tax-Increment Financing	\$76M
City	\$50.3M
Leverage	\$165M
Tax Credit Equity	\$205.7M
Private	\$452.1M

Total \$1.1B Investment



Key Housing Strategy

- Replace Perkins Homes units one-for-one
- Mixed-income and mixed-use community
- Diversity of housing types
- High-quality design
- Subsidized housing indistinguishable from market rate
- Integrated and new communities facilities and community spaces
- Well-programmed green spaces
- Neighborhood centered around park spaces
- New 21st Century K through 8th grade school

PSO Housing Development Team



\$30 million Choice Neighborhood Grant
Housing Authority of Baltimore City, Lead
City of Baltimore, Co-Applicant

PSO Housing Development Team

Housing Authority of Baltimore City

Mission First Housing Group;
The Henson Development Company

- Lead developer for Somerset Housing; site prep; public improvement; The Nathaniel-McFadden Learn and Play Park and Housing; and Old Town Mall

McCormack Baron Salazar

- Lead developer for Perkins Homes Housing

Beatty Development Group

- Perkins Homes demo/ site prep; public improvement and South Central Park



Perkins Homes consisted of 629 apartment units in more than 50 three-story brick barrack-style buildings, with a community center and various outdoor spaces interspersed between the buildings. HABC began demolition of Perkins Homes Phase 1 on June 24, 2021 after successfully relocating residents.

Originally built in 1942, Perkins Homes has outlived its useful life such that complete demolition is necessary. McCormack Baron Salazar will construct 788 new mixed-income apartment units in five phases. The development will include a mix of multifamily buildings, townhouses, and two over two buildings. Multifamily buildings will be approximately four to five stories in height.

The five CN Perkins Homes housing phases consists of:

- Perkins 1** 103 units
- Perkins 2** 156 units
- Perkins 3** 151 units
- Perkins 4** 153 units
- Perkins 5** 225 units
- Total Units** 788 units

Planned Unit Mix

Unit Type	Number of Units
Deeply Affordable Units	377
Tax Credit Units*	155
Market Rate Units	256
Total	788

* At or below 60% AMI on average



Somerset Homes



The Somerset Homes neighborhood was a public housing site that opened for occupancy in 1943. The original 257 homes were built in two-story buildings along nine courts and were razed in 2008-2009. The site is on a nine-acre rectangular parcel of land.

The new development will include 558 units in four mixed-income multifamily residential buildings. Somerset Phase 1/ 1234 McElderry Street is completed and Somerset Phase 2/ 520 Somerset/ 525 Aisquith is under construction.

Somerset Phase 3/ 420 Aisquith (pictured above) sits adjacent to Oldtown Mall and will provide 72 units of mixed-income housing. Somerset Phase 4 will be anchored with a grocery store to address “food desert” conditions and provide healthy food options for our PSO residents.

Planned Unit Mix

Unit Type	Number of Units
Deeply Affordable Units	275
Tax Credit Units*	174
Market Rate Units	109
Total	558

* At or below 60% AMI on average



Housing

558 Units



Retail

42,400 SF





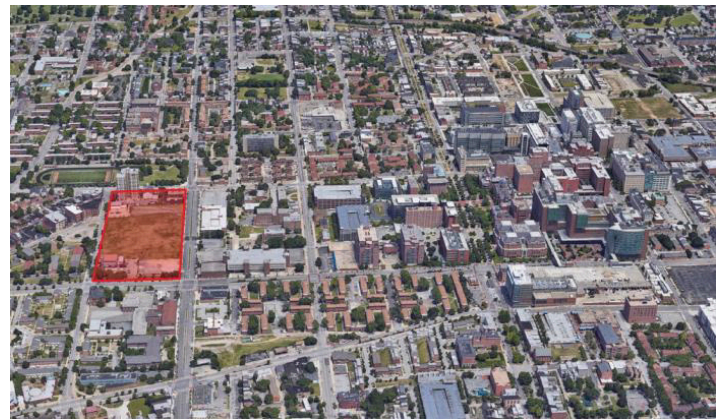
1234 McElderry Street

The first new apartment building at Somerset has 104 units: 84 income-restricted with the remaining 20 available at market rate. The four-story building also features street-level retail, a fitness center, clubroom, cyber lounge, high-speed internet, and two courtyards. Leasing began Summer 2021.



520 Somerset/525 Aisquith

520 Somerset will include 192 mixed-income apartments and street-level retail space.



Restored Infrastructure

McElderry and Jefferson Streets once ran through the Somerset site and connected it to the Johns Hopkins Hospital campus to the east and Oldtown to the west. This historic street grid was erased when Somerset Homes was originally built. In the rebuilt design, these streets will reestablish historic street grid of McElderly and Jefferson as they historically existed.



Oldtown was one of three original settlements in the downtown area. Toward the end of the 19th century and in the early 20th century, Gay Street (now Oldtown Mall) grew into prominence as a thriving shopping street and market area. Following many years of vacancy and decay, the development team will focus on the revitalization of the historic 400 block and the western portion of the 500 block of Oldtown.

The first phase will reestablish the 400 block as an easily accessible commercial center for pedestrians and include 63 mixed income rental housing units and an Incubator HUB. Additional phases will include a merchandise mall with a parking garage, 120-key hotel, additional retail space, and 235 mixed-income residential housing units.

The 500 block will contain a new approximately 7,000 SF Incubator HUB. The HUB will provide resources that do not currently exist for entrepreneurs and creatives looking to launch or grow a small business. The remaining buildings in the 500 block will be rehabilitated for mixed-use, similar to the 400 block.

Planned Unit Mix

Unit Type*	Number of Units
Mixed Income Units	-
Market Rate Units	-
Total	298

* Exact unit mix at Oldtown TBD



Housing

298 Units



Office

+/- 11,840 SF



Retail

+/- 90,000 SF



Parking

+/- 440 Spaces



Hotel

120 Keys



Pedestrian Mall

The pedestrian mall that is the spine to Oldtown has fallen into significant disrepair due to surrounding vacancy, vandalism, and lack of investment. The pedestrian mall will be completely rebuilt from its southern terminus near Colvin Street headed northwest to Mott Street.



Adaptive Reuse

The 400 block contains a variety of buildings built around the turn of the 20th century. The rehabilitation of Oldtown will align with the historic integrity and scale of the area.



The Neighborhood Plan includes complementary physical improvements, as well as, a range of new and expanded public safety initiatives that will magnify the impact of both public and private investments in the PSO footprint.

Neighborhood transformation will improve mobility, connectivity, and sense of place. HABC and its partners will accomplish this by creating two new parks centrally located in Somerset and Perkins Homes to inspire a sense of community. The new parks will feature spaces for passive and active recreation that are open to neighborhood residents. Caroline Street will be transformed into a complete street with improved access for pedestrians, bikes, cars and buses.

Successful neighborhood transformation will improve access to services, education, and recreation by building a new 21st Century school K through 8th grade and substantial improvements to the Chick Webb Recreation Center. Additionally, improving access to amenities that enhance the quality of life include a grocery store in Somerset 4 and substantial facade improvements to Oldtown, and along Fayette and Broadway streets.

Finally, the plan seeks to improve the safety of the physical environment and reduce crime and victimization through increased lighting, defensible space design, CitiWatch cameras and implementing Safe Streets protocols.



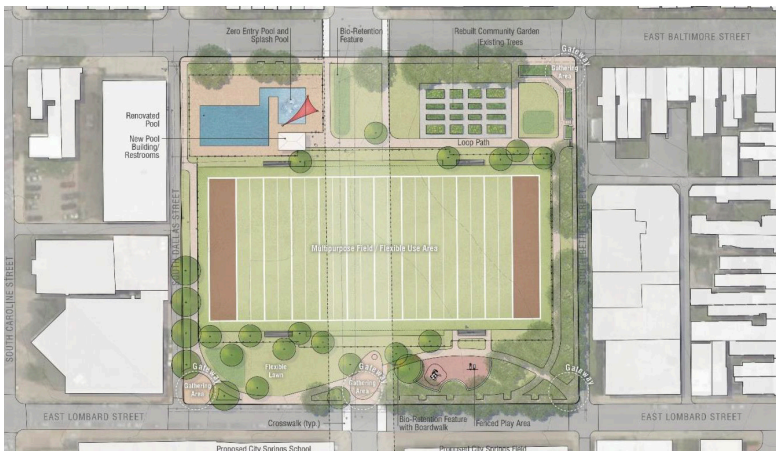
New Park Space

Approximately two-acres of new park space will be constructed at the center of the original Perkins footprint. South Central Park will feature passive and active recreation areas, a playground, and neighborhood-based sustainable stormwater management.

Parks and Recreation

As part of the broader community improvements called for in the PSO Transformation Plan, Baltimore City's Department of Recreation and Parks will renovate:

- Chick Webb Recreation Center (plus expansion)
- Madison Square Recreation Center
- City Springs Pool and Park (shown below)



Chick Webb Recreation Center



Chick Webb Recreation Center

The existing Recreation Center is an important neighborhood asset, with cultural and historic value. It is outdated with aging facilities that limit program expansion. The City plans to invest +/- \$18M to modernize and expand the facility, and improve the grounds as well, with a new playground, green space, and recreation facilities.

City Springs Elementary Middle School

The PSO plan coordinates investments that improve outcomes for neighborhood residents in education, health, and family well-being. Access to quality education is critical and is a central focus of the Transformation Plan. The Plan not only supports the programs within the City Springs School (outlined in the People Plan) but will also provide a brand-new school building designed to 21st century education standards. The existing City Springs School, constructed in the late 1970's, is outdated and undersized for the population it serves; as a result, the school must utilize the vacant Lombard School building next door as overflow space. TIF funds will be used to construct a new right-sized school building for City Springs and the School District, one that provides more flexible and varied educational environments, supporting experiential learning and collaboration.

The new school will incorporate the latest technologies, including broadband and Wi-Fi, to enable flexibility in teaching and improved access to information.

City Springs Elementary Middle School



Lombard Middle School (LMS) will be demolished to make way for the new City Springs Elementary/Middle School (CSEMS). The new CSEMS will accommodate K through 8th-grade. The old City Springs Elementary/ Middle School (CSEMS) will be demolished to make way for new housing.





The People Plan implementation lead, Urban Strategies, Inc. (USI), is a national non-profit organization with extensive experience in the design and implementation of human capital building and community development strategies. USI has served as the lead implementation partner for people support services in 12 Choice Neighborhoods, helping to leverage more than two billion dollars in public and private resources for innovative service programs/initiatives and supporting more than 30,000 families in 28 unique communities across 17 major metropolitan areas and two American territories.

USI's national experience is enhanced by that of key local partners, such as Morgan State University, the Mayor's Office of Employment Development, Goodwill Industries of the Chesapeake, City Springs School, Above All Odds, Johns Hopkins University, and a network of over 100 local service providers, all of which have strong track records of delivering

resources to the PSO community. Baltimore City Public Schools and the Baltimore Curriculum Project are the Principal Education Partners.

Leveraging the team's experience, the People Plan offers expanded, evidence-based programming to address residents' personal challenges and to establish a foundation for success. In addition, the team will use USI's asset-based framework to provide case management to families. This framework builds upon the assets with each household through a results-based accountability model.

With a focus on three areas – health/wellness, employment/job training, and education – the plan addresses a range of results-based, data-driven social and environmental determinants that will help lead to economic stability, reduce stress and trauma, and ensure “all families are stable and thriving.”



MBE/WBE and Community Hiring

The development team has a proven track record of meeting or exceeding MBE/WBE contracting goals on numerous projects. Each phase of the PSO Transformation Plan will meet or exceed the City mandated MBE/WBE goals:

	Goal	% Met
MBE	27%	151%
WBE	10%	100%

Additionally, the City of Baltimore requires 51% of all new job opportunities go to city residents. Community hiring is governed by the U.S. Department of Housing and Urban Development's Section 3 requirements, under which job opportunities must first be made available to residents of PSO, second, to residents of other HABC communities, and third, to Baltimore residents. The development team will meet or exceed the Section 3 requirements and work with the Housing Authority of Baltimore City, and the Mayor's Office of Employment Development to connect residents with job opportunities.

During the past three years, USI, HABC, and our partner network have made strides toward our collective success in these five strategic goal areas:



Family Support and Wrap-Around Services



Job Skills and Employment



Early Childhood Development



Youth Development



Financial Education and Asset Building

Economic Mobility

56%

56% of Perkins residents with wage income

45%

45% Perkins heads of household have a bank account—a 29% increase in Perkins heads of households with bank accounts

80%

80% of participants credit score increased

Education

80%

80% of school-age students are enrolled in quality out-of-school time programs

27%

27% reduction in students with chronic absenteeism

Health & Wellness

DISTRIBUTED
200,000 LBS
OF FOOD



USI provides a range of programs and services to move residents towards economic self-sufficiency. Strategies include providing access to employment, improving earnings, and implementing a financial empowerment center.



62%

Perkins resident with wage income
BASELINE 23%



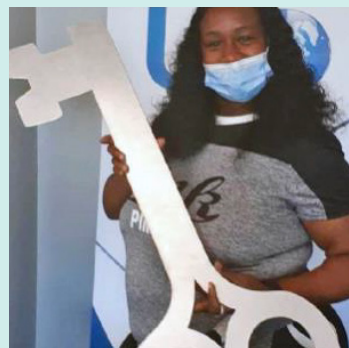
\$22,399

Average annual income of
workable households
BASELINE \$12,219



45%

Perkins' heads of household with
bank accounts
BASELINE 41%



Resident Spotlight:

Karima Norris

Pride of Ownership:
A First-Time Homebuyer

For the past 14 years, Ms. Karima Norris had been living at the Perkins Homes just a short distance to her job at Johns Hopkins Hospital and was a participant in USI's homeownership program. Using Johns Hopkins "Live Where You Work" program, she received down payment assistance allowing her to become a first-time homeowner in her same neighborhood.

Strategic Impact: Education

Improving educational attainment in the Choice Neighborhoods Zone is paramount to the success of the transformation plan. USI education efforts focus on two critical ages of development: early learning and school-aged children. Our greatest educational work ensures pathways towards a stable and thriving future.

Strategies

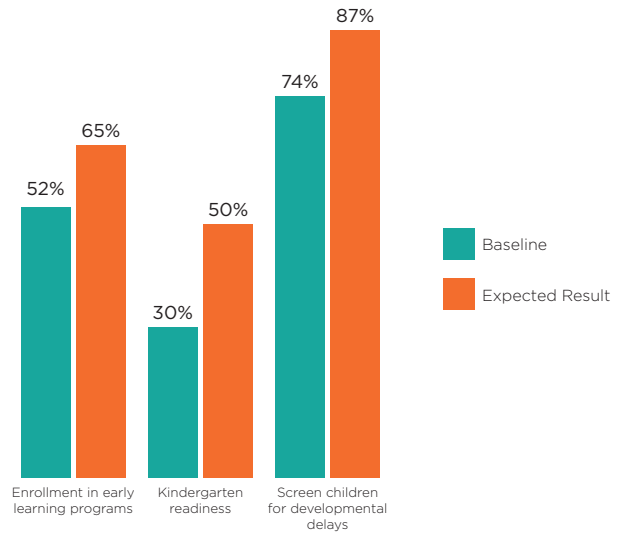
- Connect parents of young children to evidence-based home
- Identify developmental delays in young children and connect families to related services
- Increase participation in early learning programs
- Increase homeownership opportunities



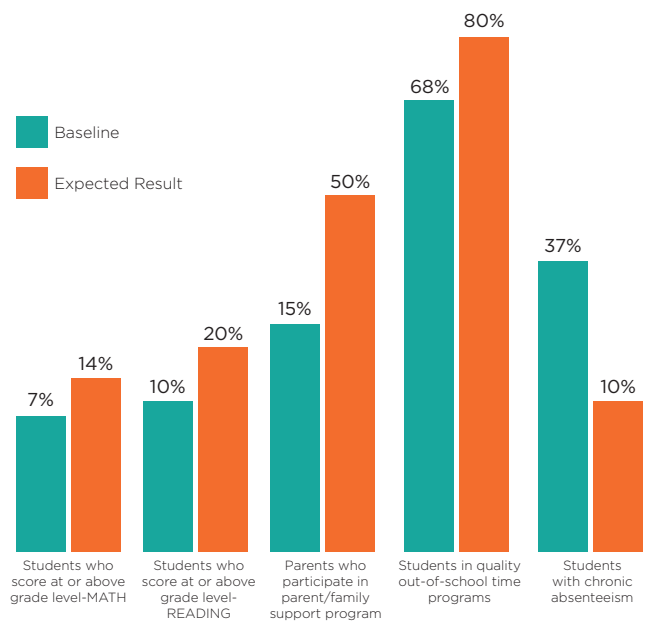
School-Age Children

- Build new City Springs school
- Improve student achievement through evidence-based methods, such as CHAMPS, restorative practices, customized teacher training, and principal support
- Increase parent engagement
- Increase attendance and decrease chronic absenteeism
- Increase high-quality afterschool and out-of-school programming
- Provide support to students transitioning to high school and college

Early Learning Goals



School-Age Education Goals



Choice Neighborhoods Partners

Health

Baltimore City Health Department
Baltimore Community Mediation
Baltimore Healthy Start
Baltimore Medical System
Behavioral Health Systems
Baltimore Bmore Healthy Baby
Charm City
Companions Civic Works
Caree Foundation
GBMC Health System
Johns Hopkins- School of Public Health
Johns Hopkins -School of Nursing
Maryland ABLE
Maryland Food Bank
Maryland Hunger Solutions
Morgan State University
MomCares
Priority Partners
St. Vincent de Paul of Baltimore-
Beans & Bread
Terry's Advocacy
Services TLC
Counseling Services
University of Maryland -
School of Medicine W.I.C.

Economic Mobility/ Workforce

AREAS US
Arnold Packaging
Associated Black Charities
Baltimore City Community Action Partnership
Baltimore City Community College
Baltimore City Department of Social Services
Baltimore City Office of Child Support Services

Bozzuto Construction Company
CASH Campaign Maryland
Caroline Center
Center for Urban Families City Seeds
Consumer Credit Counseling Services of
Maryland & Delaware
Goodwill Industries of Chesapeake
H&S Bakery
Job Opportunities Task
Force KRA Corporation
Project Jumpstart
Maryland Legal Aid
Maryland New Directions
Mayor's Office of Employment Development
McGraw Financial Services, LLC
PNC Bank
Self-Mastery Mentorship Program
Turnaround Tuesday

Education/ Youth

AARP Experience Corporation
Abell Foundation
Baltimore City Parks and Recreation
Baltimore Curriculum Project
Baltimore National Aquarium
Baltimore Youth Alliance
Bedtime In a Box
Big Brothers Big Sisters at the YMCA
Care First
College Bound Foundation
Civic Works - Youth build

City Springs Elementary/Middle School
Child First Authority
East Baltimore Historical Library
Enoch Pratt Free Library Grads2Careers
Johns Hopkins Carey Business School
Judy Center at Commodore
John Rogers Living Classrooms Foundation
Kennedy Krieger Southeast Early Head Start
MICA Arts Program
McKim Community Center
My G.I.R.L.S. Inc.
NCIA Herbert J Hoelter Vocational Training Center
Open Society
Port Discovery
Raising A Reader
St. Vincent de Paul Head
Veritas Technology LLC.

Housing Stability/ Case Management

Beatty Development Group
Compassion Center
Diversified Property Services, Inc.
The Henson Development Company
Homeless Person Representation Project
Housing Authority of Baltimore City
Housing Authority of Baltimore City - Office of
Resident Services
McCormack Baron Salazar
Mission First Housing Group
Safe Streets East



USI | URBAN STRATEGIES, INC.

Families at the Center of Results



PSO TRANSFORMATION PLAN

Perkins + Somerset + Oldtown

Choice Neighborhood Initiative Recipients

Housing Authority of Baltimore City
The City of Baltimore

People Implementation Entity

Urban Strategies, Inc.

Housing Implementation Entity

Beatty Development Group
The Henson Development Company
McCormack Baron Salazar
Mission First Housing Group



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